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PACIFIC  **TELESIS**
Group - Washington

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February 23, 1993

**FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY**

**Ms. Donna R. Searcy
Secretary
Federal Communications Commission
1919 M Street, N.W., Room 222
Washington, D.C. 20554**

RE: RM 8158

Dear Ms. Searcy:

On behalf of Pacific Bell and Nevada Bell enclosed are an original and six copies of their Reply Comments in the proceeding indicated above.

Please stamp and return one copy to acknowledge receipt. Please call me should you have any questions or require additional information.

Sincerely,



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FEB 23 1993

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

In the Matter of:

VERILINK CORPORATION

Petition for Rulemaking to Amend
the Commission's Part 68 Rules
to Authorize Regulated Carriers
to Provide Certain Line Build Out
Functionality as a Part of Regulated
Network Equipment on Customer Premises

RM 8158

REPLY COMMENTS OF PACIFIC BELL AND NEVADA BELL

Pacific Bell and Nevada Bell the ("Pacific Companies")
hereby respond to selected comments in the above-captioned
proceeding.

The Independent Data Communications Manufacturers
Association ("IDCMA") opposes the Verilink's Petition for
several reasons. IDCMA disputes Verlink's contention that joint
engineering is a time-consuming, costly and inefficient
process.¹ However, as the Pacific Companies pointed out in our
comments, our experience with joint engineering supports
Verilink's assessment.²

Verilink states that joint engineering "need only
involve the carrier and the user, and the only joint activity is
for the carrier to tell the customer which of the three settings

¹ Comments of IDCMA, p. 7.

² Comments of Pacific Bell and Nevada Bell, pp. 1-4.

should be used."³ Verilink's statement ignores the fact there is often an interexchange carrier purchasing the Hi-Cap service so we are not dealing directly with the end-user who must set the outpulse option in the Channel Service Unit ("CSU"). Moreover, on copper-based facilities, as other customers are added to the cable bundle, the outpulse of existing customers may need to be changed. Finally, customers sometimes reset the outpulse option on their own initiative. Joint engineering is not just a simple one-time communication with the customer to give him or her the correct outpulse option setting. It is often an ongoing process because new customers and existing customers add to or change the signal strength in a cable bundle requiring rebalancing among all other customers on the cable bundle.

IDCMA also contends that the rule change proposed by Verilink is insufficient to achieve the result that Verilink seeks.⁴ This is not a valid reason for opposing the Verilink Petition. If the Commission agrees with Verilink's proposal, the Commission can propose changes in the rules to reach the desired result.

Finally, IDCMA raises the concern that the many benefits of competitively-provided CPE would be jeopardized by the migration of Line Build-Out ("LBO") functionalities to the network.⁵ The LBO function is only a small part of the

³ Comments of IDCMA, p. 7.

⁴ Comments of IDCMA, pp. 9-10.

⁵ Id. at p. 8.

electronics in a CSU. Having this limited function performed in the network should not have an effect on competition in the CPE market.

In conclusion, the comments of IDCMA do not provide a sufficient basis to deny Verilink's Petition. The Pacific Companies continue to support strongly Verilink's Petition.

Respectfully submitted,

PACIFIC BELL
NEVADA BELL


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Their Attorneys

Date: February 23, 1993

CERTIFICATE OF SERVICE

I, Alex Kositsky, certify that the following is true and correct:

I am a citizen of the United States, State of California and over eighteen years of age.

My business address is 140 New Montgomery Street, San Francisco, CA 94105.

On February 23, 1993, I served the attached "Reply Comments of Pacific Bell and Nevada Bell, on the Verilink Corporation petition for Rulemaking to Amend the Commission's Part 68 rules" by placing true copies thereof in envelopes addressed to the parties in the attached list, which envelopes, with postage thereon fully prepaid, I then sealed and deposited in a mailbox regularly maintained by the United States Government in the City and County of San Francisco, State of California.

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By: _____

Alex Kositsky
Alex Kositsky

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